Wages change and growth guide

Guide to labour statistics

Learn about our wages change (or growth) measures and how to use them

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Overview

Wages change (or growth) over time can be measured in a few different ways:

- wage inflation - changes in the price of wages and salaries unaffected by compositional factors
- change in the earning levels of employees
- change in total wages paid in the economy.

We have earnings estimates available to measure wages change in each of these ways. The right data source for you will depend on the purpose of your analysis.

The Earnings guide (/statistics/understanding-statistics/guide-labour-statistics/earnings-guide) includes information about other earnings measures.

Wage inflation

The quarterly Wage Price Index (/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release) (WPI) measures change in the price of wages and salaries (similar to earnings) in the Australian labour market over time. In a similar way to the Consumer Price Index (CPI), it follows changes in the hourly rate paid to a fixed group (or "basket") of jobs.

The WPI measures pure price change by removing the effect of compositional factors including the quality or quantity of work performed or the composition of the workforce. This separates it from other ABS earnings measures.

WPI movements do not reflect changes in:

- tasks or responsibilities
- hours worked
- job holder (for example junior rate, completion of trade certificate)
- location where work is performed.

Use the WPI if your focus is wage inflation or inflationary pressures associated with wages and salaries. Estimates are available by industry, state/territory and public/private sector.

Annual wage inflation (Original)

Source: Wage Price Index, December qtr 2023 (/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2023)

Change in earnings levels

Average Weekly Earnings (/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/latest-release) (AWE) measures average gross (pre-tax) weekly earnings paid to employees and is collected every six months. Movements in average weekly earnings levels provide an alternative view of wages growth to the WPI by reflecting real-world changes in both the level of earnings per employee and in the composition of employment.

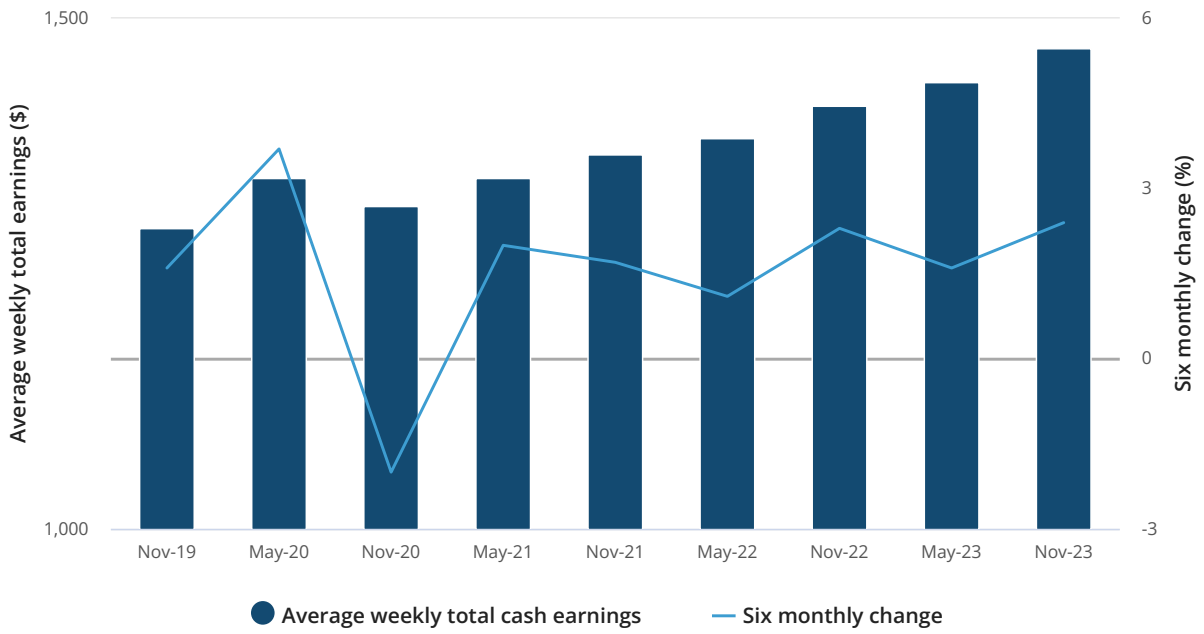
This can include changes in the:

- proportion of full-time, part-time, casual and junior employees
- distribution of occupations within and across industries
- distribution of employment between industries.

The Average Weekly Earnings, Australia methodology (/methodologies/average-weekly-earnings-australia-methodology/may-2022) page includes information you will need to draw the correct conclusions about wages growth from this data.

Use AWE if your focus is on understanding changes in the level of average earnings over time, which reflects the influence of real-world changes in the composition of the labour market.

Average weekly total cash earnings (Original)



Source: Average Weekly Earnings, November 2023 (/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/nov-2023)

Change in total wages paid

Source: Average Weekly Earnings (/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/nov-2023) (November 2023) and Monthly Employee Earnings Indicator (https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/monthly-employee-earnings-indicator/latest-release)

The Labour Account (/statistics/labour/labour-accounts/labour-account-australia/latest-release) Payment quadrant measures costs to employers in employing labour and the income received by people for providing their labour. The Aggregate earnings guide (/statistics/understanding-statistics/guide-labour-statistics/earnings-guide/aggregate-earnings-guide) includes more information about total earnings measures.